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A Professional Limited Liability Company

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February 6, 2003

FCC/MELLON

FEB 27 2003

Federal Communications Commission
Common Carrier Bureau
445 12th Street S.W.
Washington, D. C. 20554

03-62

FCC c/o Mellon Bank
3 Mellon Centre
525 William Penn Way, 27th Floor
Room 152-2713
Pittsburg, Pennsylvania 15259-0001
ATTN: Wholesale Lockbox Shift Supervisor

RE: Application for consent to the transfer of control of a business which has Blanket Domestic Interstate 214 Authority\Transfer of Local Gateway Exchange, Inc. to Telephone Service Incorporated

Dear Sir or Madam:

Enclosed please find the following documents submitted on behalf of Local Gateway Exchange, Inc. and Telephone Service Incorporated:

1. The original and four (4) copies of an Application for consent to the transfer of control of a business which has blanket domestic interstate 214 authority.
2. The original and four (4) copies of FCC Form 159
3. Our check in the amount of \$815.00 representing the filing fee for this Application.

Should you have any questions or require additional information, please do not hesitate to contact me.

I would appreciate if you would return a copy of this letter, date-stamped, in the envelope provided.

Sincerely,



Ellen Ann G. Sands

Enclosures
cc Chuck Taylor

READ INSTRUCTIONS CAREFULLY	Approved by OMB

(12) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card) Nowalsky, Bronston & Gothard, APLLC	(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$815.00
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Metairie	LA	70002
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(19) DAYTIME TELEPHONE NUMBER (include area code) 504-832-1984	(10) COUNTRY CODE (if not in U.S.A.) 504-831-0892
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FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED	
(11) PAYER (FRN)	(12) PAYER (TIN) 72-1258052

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B

(16) CITY Dallas	(17) STATE TX	(18) ZIP CODE 75201
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(19) DAYTIME TELEPHONE NUMBER (include area code) 214-841-9033	(20) COUNTRY CODE (if not in U.S.A.) U.S.A.
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(21) APPLICANT (FRN)	(22) APPLICANT (TIN)
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(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1
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(26A) FEE DUE FOR (PTC) \$815.00	(27A) TOTAL FEE \$815.00	FCC USE ONLY
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(28A) FCC CODE 1	(29A) FCC CODE 2
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(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
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(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
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(28B) FCC CODE 1	(29B) FCC CODE 2
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SECTION D - CERTIFICATION

(30) CERTIFICATION STATEMENT
 I, Sheree West, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE Sheree West DATE 2/7/03

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31)	MASTERCARD/VISA ACCOUNT NUMBER	EXPIRATION DATE
<input type="checkbox"/> MASTERCARD		
<input type="checkbox"/> VISA	I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described	
	SIGNATURE _____	DATE _____

SPECIAL USE

FCC USE ONLY

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT
SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME

Telephone Service Incorporated

(14) STREET ADDRESS LME NO 1

4935 Victor Street

(15) STREET ADDRESS LME NO 2

(16) CITY

Dallas

(17) STATE

TX

(18) ZIP CODE

75214

214-841-9033

USA

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN)

(22) APPLICANT (TIN)

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE

(25A) QUANTITY

(26A) FEE DUE FOR (PTC)

(27A) TOTAL FEE

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(23C) CALL SIGN/OTHER ID

(24C) PAYMENT TYPE CODE

(25C) QUANTITY

(26C) FEE DUE FOR (PTC)

(27C) TOTAL FEE

FCC USE ONLY

(28C) FCC CODE 1

(29C) FCC CODE 2

(23D) CALL SIGN/OTHER ID

(24D) PAYMENT TYPE CODE

(25D) QUANTITY

(26D) FEE DUE FOR (PTC)

(27D) TOTAL FEE

FCC USE ONLY

(28D) FCC CODE 1

(29D) FCC CODE 2

(23E) CALL SIGN/OTHER ID

(24E) PAYMENT TYPE CODE

(25E) QUANTITY

(26E) FEE DUE FOR (PTC)

(27E) TOTAL FEE

FCC USE ONLY

(28E) FCC CODE 1

(29E) FCC CODE 2

(23F) CALL SIGN/OTHER ID

(24F) PAYMENT TYPE CODE

(25F) QUANTITY

(26F) FEE DUE FOR (PTC)

(27F) TOTAL FEE

FCC USE ONLY

(28F) FCC CODE 1

(29F) FCC CODE 2

**BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.**

In the Matter of)	
)	
)	
)	
Local Gateway Exchange, Inc)	
and its Shareholders,)	
Transferors.)	
)	
Telephone Service Incorporated)	
and its Shareholders,)	
Transferees,)	
)	
and)	File No
)	
Application for consent to the)	
transfer of control of a business which has)	
Section 214 Domestic Interstate authorization)	
)	
To: The Commission)	

APPLICATION FOR CONSENT TO TRANSFER OF CONTROL

Local Gateway Exchange, Inc. ("LGEI") and its shareholders and Telephone Service Incorporated ("TSI") and its shareholders, pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.18(e)(5) of the Commission's Rules, hereby apply for consent to the transfer of control of LGEI, a holder of blanket 214 domestic interstate authorization under the name Local Gateway Exchange, Inc., File No. ITC-214-19990621-00394, to Telephone Service Incorporated

The proposed transfer has been approved by the United States Bankruptcy Court for the Northern District of Texas Dallas Division, in Case No. 01-39283-HCA-7. Approval of the proposed transfer by the Commission will benefit the public interest. In accordance with 47 C.F.R. § 63.12, the parties request streamlined processing of this Application.

The parties wish to consummate the referenced transaction, which has been approved by the United States Bankruptcy Court, at the earliest possible opportunity and, therefore, request expedited review of this streamlined application.

- (1) The name, address and telephone number of the transferor and transferee.

Transferor:

Local Gateway Exchange, Inc
700 N. Pearl Street, Suite 200
Dallas, Texas 75214

Transferee:

Telephone Service Incorporated
4935 Victor Street
Dallas, Texas 75214

- (2) The state of incorporation of transferor and transferee
- Transferor, LGEI, is a corporation organized under the laws of the State of Texas.
 - Transferee, TSI, is a corporation organized under the laws of the State of Delaware.
- (3) Correspondence concerning this Application should be addressed to:

EllenAnn G. Sands
Nowalsky, Bronston & Gothard, APLLC
3500 N. Causeway Boulevard, Suite 1442
Metairie, Louisiana 70002
(504) 832-1984 (Telephone)
(504) 831-0892 (Facsimile)

- (4) TSI certifies to the following information:
- (1) TSI is not a foreign carrier and has no affiliation with a foreign carrier.
 - (2) The name, address, citizenship, and principal place of business of the owners of TSI, holding a 10 percent or greater ownership interest, are:
Name: Charles G. Taylor (100% shareholder)
Address: 4935 Victor Street, Dallas, Texas 75214
Citizenship: USA
Principal Place of Business: 4935 Victor Street,
Dallas, Texas
75214
 - (5) The parties to this application certify that they are not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
 - (6) TSI proposes to acquire the licenses and intellectual property assets of LGEI by virtue of the Trustee's Bill of Sale and the Order Approving Sale of Licenses and Intellectual Property Free and Clear of the United States Bankruptcy Court. By virtue of this order, TSI proposes to acquire the licenses and/or certificates of authority and, if any, customer accounts and related telecommunications assets of LGEI and to begin to provide telecommunications service to the customers of LGEI. After the transaction, TSI will continue to operate, in all material respects, as LGEI currently operates. The technical, managerial and financial personnel of TSI will provide service under the blanket Section 214 Authority presently utilized by LGEI. TSI will operate as a non-dominant common carrier.
 - (7) TSI is a does not yet directly offer long distance telecommunications services but, by virtue of the Bankruptcy Court order, is in the process of acquiring certain certifications of LGEI in order to provide telecommunications services and compete in the marketplace.

LGEI is a non-dominant carrier that resells domestic and international long distance service from various facilities based carriers. LGEI is authorized by the FCC to offer domestic interstate and international services in fifty (50) states and the District of Columbia as a non-dominant carrier.

- (8) This Application is appropriate for streamlined treatment based on Section 63.03(b)(1)(i) and 63.03(b)(2)(i).
- (9) The parties have filed an application to transfer LGEI's 214 International authorization to TSI.
- (10) The applicants request special consideration because approval of this transaction is pursuant to an order by the United States Bankruptcy Court.
- (11) Not applicable.
- (12) The transfer of control of LGEI to TSI will serve the public interest by promoting competition and permitting implementation of the order of the Bankruptcy Court. TSI's operations will more readily increase in size and profitability. As a result, TSI will be able to offer better service to its customers at competitive rates. Given the Commission's desire to foster competition in the resale market, approval of the proposed transaction is in the public interest.

V. SUMMARY AND CONCLUSION

In summary, consent to the proposed transaction will allow TSI to continue providing service as LGEI has provided and will increase competition.

No new construction is involved, and grant of the instant application would not constitute a "major" environmental action pursuant to Section 1.1305 of the Commission's Rules.

In view of the foregoing, LGEI and TSI jointly request that the Commission grant the instant application for consent to the transfer of control of LGEI, an entity which has Domestic Interstate Section 214 Service Authorization to TSI.

Respectfully submitted,

By  _____
EllenAnn G Sands
Nowalsky, Bronston & Gothard
A Professional Limited Liability Company
3500 N. Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Counsel for Local Gateway Exchange, Inc. and
Telephone Service Incorporated